

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

October 17, 2005

PLACE:

**Holiday Inn
San Diego-On the Bay
1355 Harbor Drive
San Diego, California**

TIME:

CLOSED SESSION 8:30 a.m. (Government Code section 11126(a)(1) and (c)(16))

CHIEF INVESTMENT OFFICER'S BRIEFING ON
MARKET AND PERSONNEL ISSUES

OPEN SESSION 9:00 a.m.

CLOSED SESSION Upon adjournment or recessing of Open Session
(Government Code sections 11126(c)(16))

ROLL CALL:

Committee Members

Charles Valdes, Chair
George Diehr, Vice Chair
Ron Alvarado
Philip Angelides
Marjorie Berte
Robert F. Carlson
Rob Feckner
Priya Mathur
Michael Navarro
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Steve Westly

1. CALL TO ORDER & ROLL CALL
- ACTION 2. Approval of Agenda
- ACTION 3. Approval of the September 19, 2005 Open Session Minutes
- ACTION / INFORMATION 4. Real Estate
 - a. Responsible Contractor Annual Report
 - b. Equity Real Estate Leverage Policy
- ACTION / INFORMATION 5. Alternative Investment Management (AIM) Program
 - a. AIM Strategic Review – Results and Recommendations
- ACTION / INFORMATION 6. Global Fixed Income
 - a. Global Fixed Income Annual Plan
- ACTION / INFORMATION 7. Global Equity
 - a. Global Equity Annual Plan
 - b. PacifiCare and United Health Merger
 - c. Corporate Governance Internal Staff Working Group Update
- INFORMATION 8. Supplemental Savings Programs Report
- CONSENT 9. Policy Subcommittee Report
 - a. Equity Policies
 - 1) Revision of Corporate Governance Fund Investment Vehicles – Externally Managed
 - b. Fixed Income Policies
 - 1) Revision of Active International Fixed Income – Externally Managed
 - 2) Revision of Dollar Denominated Fixed Income Program
 - c. Real Estate Policies
 - 1) Revision of the Extended Market Public Real Estate Equity Securities (Extended Market PREES)
 - 2) Revision of Equity Real Estate
 - 3) Revision of International Equity Real Estate
 - d. Administrative
 - 1) Revision of "Watchlist Status" Definition in Glossary
 - 2) Revision of "Shareholder" to "Shareowner"
 - 3) Proposed December 2005 Agenda
 - 4) Meeting Schedule - 2006

- CONSENT 10. Chief Investment Officer's/Assistant Executive Officer's Report
 - a. Consolidated Investment Activity Report

- INFORMATION 11. Draft November 14, 2005 Agendas
 - a. Investment Committee
 - b. Diversity Workshop

- 12. Public Comment

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

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BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

October 17, 2005

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|-----------------------|---|
| CLOSED SESSION | Upon adjournment or recessing of Open Session
(Government Code section 11126(c)(16)) |
| | 1. CALL TO ORDER AND ROLL CALL |
| ACTION | 2. Approval of the September 19, 2005 Executive Closed and Closed Session Minutes |
| ACTION / INFORMATION | 3. Asset Allocation |
| ACTION / INFORMATION | 4. Real Estate
a. Portfolio Acquisition |
| INFORMATION | 5. Alternative Investment Management (AIM) Program |
| ACTION / INFORMATION | 6. Global Equity
a. 2006 Preliminary Focus List
b. Corporate Governance Internal Staff Working Group Update
1) Focus List – AIG Update
c. External Manager Update |
| INFORMATION | 7. Global Fixed Income
a. External Manager Update |
| INFORMATION | 8. Chief Investment Officer's/Assistant Executive Officer's Report
a. Status of Action Items Not Yet Reported |
| CONSENT | 9. Activity Reports
a. Alternative Investment Management Program
b. Risk Managed Absolute Return Strategies Program
c. Public Markets |